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When Recorded Mail To:

Catalina Development Company, Inc.
a Utah corporation
c/o Rodney Ylst
8019 South 3500 East
Salt Lake City, Utah 84121

87/50

AMERICAN TRUSTS
REBECCA GRAY

KATIE L. DIXON
RECORDER
SALT LAKE COUNTY,
UTAH
APR 27 3 42 PM '87

DECLARATION
OF
THE OAKS AT WASATCH
A PLANNED UNIT DEVELOPMENT

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DECLARATION
OF
THE OAKS AT WASATCH,
A PLANNED UNIT DEVELOPMENT

THIS DECLARATION is made and executed by Catalina Development Company, Inc., Todd A. Tanner, Earl D. Tanner, Jr., Jerry S. Young, and Lora Lee B. Young (hereinafter referred to as "Declarant" or "Declarants").

1.0. Recitals.

1.1. Declarant is the sole owner of the real property and improvements ("Property") located in Salt Lake County, Utah, hereinafter more particularly described.

1.2. Declarant, by recording this Declaration, intends and desires to create a De Minimas Planned Unit Development, to wit: a residential community with permanent open space, streets, utilities, and other common areas for the benefit of said community.

1.3. The covenants, conditions and restrictions contained in this Declaration and in the appendices hereto shall be enforceable equitable servitudes and shall run with the land.

1.4. Declarant has filed simultaneously herewith a Subdivision Plat Map ("Map") which is incorporated herein by reference.

1.5. Declarant has deemed it desirable for the efficient preservation of the values and amenities in said community to create an agency which will be assigned and delegated the powers of maintaining and administering the common area properties and facilities and administering and enforcing the covenants and restrictions within this Declaration and collecting and disbursing the assessments and charges hereinafter created.

1.6. Declarants, as the unrelated owners of contiguous parcels of real property, desire to jointly submit their respective properties for recordation pursuant to this Declaration. However, despite recordation hereunder, each Declarant shall retain sole ownership for the lots to be located upon their respective properties. No other relationship other than joint Declarants shall exist between the parties as a result of the recordation of this Declaration.

2.0. Dedication.

2.1. Declarant desires by filing this Declaration, and the aforesaid Subdivision Plat Map, to submit the herein described real property and the buildings and other improvements thereon to the provisions of this Declaration for the development of a De Minimas Planned Unit Development. Declarant desires and intends to sell fee title to each unit of the planned unit development, as well as an interest in the Association which shall own the common areas and facilities appurtenant thereto. The unit ownership shall contain an ownership interest in the limited common areas as defined herein. All units, as well as the common areas, shall be subject to the covenants, limitations and restrictions contained herein.

NOW THEREFORE, for such purposes, Declarant hereby makes the following Declaration containing covenants, conditions and restrictions relating to the De Minimas

Planned Unit Development which shall be enforceable, equitable servitudes, and shall run with and be a burden on the land.

2.2. The administration of the property shall be governed by Articles of Incorporation and Bylaws which are embodied in separate instruments. True copies of which are appended to and recorded with this Declaration as Appendix A1 and A2.

The Declarant shall make available to owner, lenders, mortgagees copies of the Declaration, Articles of Incorporation and Bylaws of the Association and any other rules and regulations, as well as copies of an annual audited financial statement if any is prepared.

2.3. All terms used in this Declaration and the appended Articles of Incorporation and Bylaws shall have the same definition as provided herein unless the context or other statutory regulation shall require otherwise.

2.4. The property shall be known as The Oaks at Wasatch, a Planned Unit Development. The mailing address of the property and the Declarant is: Catalina Development Company, Inc., a Utah corporation, Todd A. Tanner, Earl D. Tanner, Jr., Jerry S. Young and Lora Lee B. Young, c/o Rodney Ylst, 8019 South 3500 East, Salt Lake City, Utah 84121. The approximate address of the property is 8200 South Wasatch Blvd., Salt Lake City, Utah.

3.0. Description of the land.

BEGINNING at the Northwest Corner of Lot 13, Top of The World No. 3 Subdivision, a part of the Southwest quarter of Section 36, Township 2 South, Range 1 East, Salt Lake Base and Meridian, which point is South 147.70 feet and East 741.58 feet from the west quarter corner of said Section 36 and running thence South 10°52'00" West 58.17 feet; thence south 60°00'00" West 63.68 feet; thence south 23°00'00" West 50.00 feet; thence South 67°00'00" East 60.00 feet; thence South 10°52'00" West 270.00 feet; thence South 22°00'00" West 93.61 feet; thence North 75°51'00" West 168.45 feet; thence North 14°09'00" East 4.00 feet; thence North 75°51'00" West 100.00 feet; thence South 14°09'00" West 4.00 feet; thence North 75°51'00" West 50.00 feet; thence South 14°09'00" West 28.37 feet; thence North 75°51'00" West 105.80 feet; thence North 14°09'00" East 601.61 feet; thence South 89°35'38" West 301.00 feet to the East Right-of-Way line of Wasatch Blvd.; thence North 22°38'50" East 453.26 feet along said Right-of-Way; thence North 36°40'55" East 103.08 feet along said Right-of-Way; thence North 22°38'50" East 137.66 feet along said Right-of-Way; thence South 67°21'10" East 190.00 feet; thence North 22°38'50" East 130.00 feet; thence North 80.00 feet; thence North 11°54'22" West 280.68 feet to the East Right-of-Way of Wasatch Blvd.; thence North 22°38'50" East 55.00 feet along said Right-of-Way; thence East 121.25 feet to the Northwest corner of Lot 12, Top of the World No. 6 Subdivision; thence South along the West line of said Subdivision 725.31 feet; thence West 88.62 feet; thence South 19°32'37" East 532.70 feet to the point of BEGINNING.

Excepting therefrom the following real property:

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BEGINNING at a point which is North 1028.86 feet and East 509.56 feet from the West quarter corner of Section 36, Township 2 South, Range 1 East, Salt Lake Base and Meridian (said point being in the Easterly Right-of-Way of Wasatch Blvd., Salt Lake City, Utah); thence South 22°38'50" West 435.00 feet along said Right-of-Way; thence South 67°21'10" East 190.00 feet; thence North 22°38'50" East 130.00 feet; thence North 80.00 feet; thence North 11°54'22" West 280.68 feet to the point of BEGINNING.

The property containing 11.9706 acres.

3.1 Separate Ownership. Each Individual Declarant, subsequent to the recordation of this Declaration, shall retain sole ownership to the Lots or Units located upon its respective property. Specifically, Catalina Development Company, Inc. shall retain sole ownership of Lot or Unit Nos. 1, 2, 3, 4, 5, 6, 38, 39, 40, 41, 42, 43, 44, 45, 98, 99, 100, 101, 102, 103, 104, 105, 106 and 107, and Jerry Young shall retain sole ownership of all remaining Lots or Units within the Project, as set forth on the Subdivision Plat simultaneously recorded herewith.

4.0. Definitions.

The terms used herein shall have the following meanings.

4.1. The words "Association of Unit Owners" or "Association" shall mean and refer to The Oaks at Wasatch Homeowners Association, a nonprofit corporation. The Association is charged with and shall have the responsibility and authority to make and to enforce all the reasonable rules and regulations covering the operation and maintenance of the Project.

4.2. The term "Common Areas" and "Common Areas and Facilities" shall mean the property (including the improvements thereon) subject to the Declaration, other than the Property designated as Units upon the Map. The Common Areas and Facilities shall be owned by the Association of Unit Owners for the common use and enjoyment of Unit Owners. The Common Areas and Facilities shall include the Limited Common Areas and Facilities described below.

4.3. The words "Common Expenses" shall mean and refer to: all common expenses of administration, maintenance, repair or replacement of the Common Areas and Facilities including an adequate reserve fund for maintenance, repair and replacement of those Common Areas and Facilities that must be replaced on a periodic basis. Common expenses shall also include all costs and expenses associated with the repair and maintenance of the exteriors of all units, the landscaping maintenance and repair of real property located within a Unit for which the Association is responsible to maintain and other items which are lawfully assessed to the Unit Owners in accordance with the provisions of this Declaration and the Articles and Bylaws and such rules and regulations pertaining to the P.U.D. Project as the Association may from time to time adopt; and such other expenses incurred pursuant to agreements lawfully made and/or entered into by the Association.

4.4. The word "Declarant" or "Declarants" shall mean Catalina Development Company, Inc., a Utah corporation, Todd A. Tanner, Earl D. Tanner, Jr., Jerry S. Young and Lora Lee B. Young, which have made this Declaration and/or any successor to or assignee of the Declarant which, either by operation of law or through a voluntary conveyance, transfer or assignment, comes to stand in the same relation to the project as

did its predecessor.

4.5. The word "Declaration" shall mean this instrument by which The Oaks at Wasatch is established as a Planned Unit Development.

4.6. The word "Map" shall mean and refer to the Subdivision Plat Map of The Oaks at Wasatch, a Planned Unit Development, recorded by Declarant.

4.7. The "P.U.D. properties" or the "P.U.D." shall mean all such existing properties and additions thereto subject to the Declaration.

4.8. The word "Project" or "P.U.D. Project" shall mean and refer to the Property, as defined above, together with all rights and obligations established by this Declaration.

4.9. The word "Property" shall mean the real property, together with all improvements thereon, described in Section 3.0.

4.10. "Unit" or "Lot" shall mean any plat of land upon which is located a dwelling or which is intended for location of a dwelling as set forth on the Map. Units are identified upon the recorded Map by number. Units do not include the Common Areas or Limited Common Areas as defined herein which are immediately contiguous or otherwise within the Project.

4.11. The words "Unit Owner" or "Owner" shall mean the entity, person or persons owning a Unit within the P.U.D. Project. The term Unit Owner or Owner shall not mean or include a mortgagee or a beneficiary or trustee under a deed of trust unless and until such a party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

4.12. The words "Unit Number" shall mean and refer to the number designating the Unit in the Declaration and in the Map.

5.0. Description of Units.

5.1. The Units shall include the real property together with improvements thereon more particularly described upon the Map. The structures and improvements upon the Units are more particularly described on the Map and shall include wood frames with sheet rock interiors and stucco and stone exteriors with fiberglass shingle roof. The size of the Units may vary.

5.2. Description of Limited Common Areas and Facilities.

Limited Common Areas and Facilities mean and include those portions of the Common Areas and Facilities reserved for the use of specified units to the exclusion of other Units. The Limited Common Areas and Facilities shall include all yards that are immediately adjacent to and contiguous with the Units, as more particularly identified in the Map together with such other property specifically assigned by the Associates for the Unit Owner's exclusive use. The use and occupancy of designated Limited Common Areas and Facilities shall be reserved to its associated unit and each Unit Owner is hereby granted an irrevocable license to use and occupy said Limited Common Areas and Facilities.

5.3. Percentages of Undivided Interest in Common Areas and Facilities.

The percentage of undivided interest in the Association and the Common Areas and Facilities owned by the Association appurtenant to each Unit for all purposes, including voting, shall be equal. Each unit, regardless of size, purchase price or location, shall have an equal interest in the Association as more specifically set forth on Appendix "B".

6.0 Ownership of Common Areas and Facilities.

The Declarant, with the recordation of this Declaration, does hereby convey all of its right, title and interest by means of a Quit Claim Conveyance in the Common Areas as more particularly described upon the Map or within this Declaration, without warranty, to The Oaks at Wasatch Homeowners Association to be held and administered according to the provisions of this Declaration.

The Association shall own all Common Areas and Facilities.

7.0. Purpose of the Property.

7.1. The purpose of the Property is to provide residential housing, parking and recreational facilities for unit owners, their respective families, tenants, guests and servants.

7.2. The Units and Common Areas and Facilities shall be occupied, maintained and used as follows:

7.2.1. A Unit shall be occupied as a permanent single family residence.

7.2.2. A Unit Owner shall not permit his Unit to be occupied or used other than as a private residence for a single family, without the express approval of the Association.

7.2.3. A Unit Owner shall not permit his parking space(s) or carport to be used for any other purposes except to park a vehicle.

7.2.4. A Unit Owner shall keep his yard, including the Limited Common Areas surrounding his Unit, clean and sightly at all times and shall not use his yard, patio and/or balcony for storage except with the express written approval of the Association.

7.2.5. A Unit Owner shall not obstruct the Common Areas and Facilities. A Unit Owner shall not place or store anything within the Common Areas and Facilities without the prior written consent of the Association or its designee except in the Limited Common Areas and Facilities directly appurtenant to his Unit specifically designated or approved by the Association for storage.

7.2.6. Without the prior written consent of the Association or its designee, a Unit Owner shall not permit anything to be done or kept in his Unit or in the Limited Common Areas and Facilities appurtenant to his Unit that would result in an increase in the cost of insurance on the property, or that would result in the cancellation of insurance on the property, or that would result in the cancellation of insurance with respect to all or any part of the Property, or that would be in violation of any governmental law, ordinance, or regulation.

7.2.7. Without prior written consent of the Association or its designee, a Unit Owner shall not permit any sign of any kind to be displayed to the public view from

his Unit or from the Limited Common Areas and Facilities appurtenant to his Unit except for a small sign, conspicuously placed, stating that the unit is for sale.

7.2.8. A Unit Owner shall not permit any animals of any kind to be raised, bred, or kept in his Unit or in the Limited Common Areas and Facilities appurtenant to his Unit, except that the Association may provide in its rules and regulations that dogs, cats, and other household pets may be kept in Units subject to the rules and regulations adopted by the Association. If a dog, cat, or other household pet is kept in the Unit, the Association shall have the right to charge additional common area fees for any Unit having a dog, cat, or other household pet reflecting the cost, if any, to the Association for additional upkeep and maintenance to the Common Areas and Facilities directly attributed to the animal. Said fee shall be applied to all such dog, cat or household pet owners.

7.2.9. A Unit Owner shall not permit any obnoxious or offensive activity or nuisance to be carried on his Unit or in the Limited Common Areas and Facilities appurtenant to his Unit or upon any other part of the Project. A Unit Owner shall not conduct any activities, including the construction of improvements, in or upon part of the Project which are or may become unsafe or hazardous to any person or property.

7.2.10. A Unit Owner shall not alter, construct in, or remove anything from the Common Areas and Facilities, except with the prior written consent of the Association or its designee.

7.2.11. A Unit Owner shall not violate any of the rules and regulations for the use of Units, Common Areas and Facilities, or Limited Common Areas and Facilities, adopted by the Association and furnished in writing to the Unit Owners.

7.2.12. No boats, trailers, recreational vehicles, trucks, commercial vehicles or inoperable vehicles belonging to Owners or other residents of the Property shall be parked or stored in or upon any of the Common Areas, except in such portions of the Common Areas as the Association may specify, and subject to such rules and regulations as the Association may from time to time promulgate.

7.2.13. No Owner shall, without the prior written consent of the Association, make or permit to be made any structural alteration, improvement or addition in or to his Unit or to the Common Areas. No Owner shall, without the prior written consent of the Association, do any act that would impair the structural soundness or integrity of one or more of the buildings or the safety of property or impair any easement or hereditament appurtenant to the Project.

7.2.14. During the course of actual construction of any structures or improvements which are permitted to be located on the Property or upon real property adjacent to the Project, the provisions, covenants, conditions and restrictions contained in this Declaration shall be deemed waived as to the Declarant, its employees, subcontractors, successors or assigns to the extent necessary or convenient to permit such construction; provided, however, that during the course of such construction, nothing shall be done which would result in a continuing violation of any said provisions, covenants, conditions or restrictions following the completion of such construction upon the Project or adjacent Property.

8.0. Association of Unit Owners: Management Committee.

8.1. As used herein, the word "Association" shall refer to The Oaks at Wasatch

Homeowners Association, a Utah non-profit corporation. The management of the Association shall be governed by its Articles and Bylaws. The association shall be entitled to choose a Management Committee consisting of three persons who need not be Unit Owners who shall be elected as provided in the Bylaws. All agreements and determinations with respect to the property lawfully made or entered into by the Association shall be binding upon all the Unit Owners, their successors and assigns. All rights and powers referred to in this Declaration as belonging to the Association, unless specifically provided for otherwise, shall belong to the Association and shall be carried out by the Association's Management Committee. The Management Committee is authorized and empowered to take all actions necessary on behalf of the Association unless specifically provided for otherwise in this Declaration.

8.2. The Association and the Management Committee shall have all the powers, duties and responsibilities as are now or may hereafter be provided by this Declaration, the Articles of Incorporation and Bylaws, including but not limited to the following:

8.2.1. To make and enforce all house rules and administrative rules and regulations covering the operation and maintenance of the property.

8.2.2. To engage the services of a manager or managing company, accountants, attorneys or other employees or agents and to pay to said persons a reasonable compensation therefore; provided, however, that any management agreement may be terminable by the Association for cause upon thirty (30) days written notice and with or without cause with sixty (60) days prior written notice without any penalty, cost or fee, and that the term of any said management agreement may not exceed one (1) year, renewable by agreement for successive one-year periods.

8.2.3. To operate, maintain, repair, improve and replace the Common Areas and Facilities, including the entering into of agreements for the use and maintenance of the Common Areas and Facilities and adjacent, contiguous property for the benefit of the Association.

8.2.4. To determine and pay the Common Expenses.

8.2.5. To assess and collect the proportionate share of Common Expenses from the Unit Owners.

8.2.6. To enter into contracts, deeds, leases and/or other written instruments or documents and to authorize the execution and delivery thereof by the appropriate officers.

8.2.7. To open bank accounts on behalf of the Association and to designate the signatures therefor.

8.2.8. To purchase, hold, sell, convey, mortgage or lease any one or more Units held in the name of the Association or its designee.

8.2.9. To bring, prosecute and settle litigation for itself, the Association and the property, provided that it shall make no settlement which results in a liability against the Association, or the property in excess of \$5,000.00 without prior approval of a majority of Unit Owners.

8.2.10. To obtain insurance for the Association with respect to the Common Areas and Facilities, as well as workman's compensation insurance.

8.2.11. To repair or restore the Common Areas following damage or destruction, or a permanent taking by the power of eminent domain or by an action or deed in lieu of condemnation, not resulting in the removal of the property from provisions of this Declaration.

8.2.12. To own, purchase or lease, hold and sell or otherwise dispose of, on behalf of the Unit Owners, items of personal property necessary to or convenient in the management of the business and affairs of the Association and in the operation of the property.

8.2.13. To keep adequate books and records.

8.2.14. To do all other acts necessary for the operation and maintenance of the property, including the maintenance and repair of any Unit as the same is necessary to protect or preserve the property.

8.3. The Association may delegate to a manager or management company all of its foregoing powers, duties and responsibilities referred to in paragraph 8.2 above subject to the provisions of paragraphs 8.2.2., except: The final determination of common expenses, budgets and assessments based thereon; the promulgation of house rules and administrative rules and regulations; the power to enter into any contract involving more than \$5,000.00 in any one fiscal year; the opening of bank accounts; the power to purchase, hold, sell, convey, mortgage or lease any Units in the name of the Association or to bring, prosecute and settle litigation.

8.4. Members of the Management Committee, the officers and any assistant officer, agents and employees of the Association (i) shall not be liable to the Unit Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith; (ii) shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such; (iii) shall have no personal liability in tort to any Unit Owner or any person or entity direct or imputed, by virtue of acts performed by them, except for their own willful misconduct or bad faith, or acts performed for them in their capacity as such; and (iv) shall have no personal liability arising out of the use, misuse or condition of the property, which might in any way be assessed against or imputed to them as a result or by virtue of their capacity as such.

8.5. The Association shall indemnify and hold harmless, any person, his heirs, and personal representatives, from and against all personal liability and all expenses including counsel fees, incurred or imposed, or arising out of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative instituted by any one or more Unit Owners, or any other persons or entities, to which he shall be or shall be threatened to be made a party by reason of the fact that he is or was a member of the Management Committee or an officer or assistant officer, agent or employee of the Association, other than to the extent, if any, that such liability or expense shall be attributable to his willful misconduct or bad faith, provided, in the case of any settlement, that the Management Committee shall have approved the settlement, which approval shall not to be unreasonably withheld. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or vote of Unit Owners or of the Management Committee or otherwise. The indemnification by the Unit Owners as contained herein shall be paid by the Association on behalf of the Unit Owners and shall constitute a common expense and shall be

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assessed and collectible as such.

9.0. Association of Unit Owners: Membership and Voting.

9.1. Membership.

Each Owner shall be entitled and required to be a member of the Association; membership shall begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Unit is held by more than one person, the membership appurtenant to the Unit shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which title to the Unit is held. An Owner shall be entitled to one membership for each Unit owned by him. Each membership shall be appurtenant to the Unit to which it relates and shall be transferred automatically by conveyance of that Unit. Ownership of a Unit within the Project cannot be separated from membership in the Association appurtenant thereto, and any devise, encumbrance, conveyance or other disposition of a Unit shall be construed to be a devise, encumbrance, conveyance or other disposition, respectively, of the Owner's membership in the Association, and the rights appurtenant thereto. No person or entity other than an Owner may be a member of the Association, and membership in the Association may not be transferred except in connection with the transfer of a Unit

9.2. Voting.

The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be Owners, with the exception of the Declarant. Each Class A member shall be entitled to the number of votes appurtenant to each respective Unit as shown on Appendix B. In the event more than one Class A member owns an interest in a Unit the votes of such Unit shall be exercised as they themselves determine, but in no case shall more than the applicable number of votes designated on Appendix B be cast with respect to any one Unit by Class A members.

Class B. The Class B member shall be the Declarant who shall be entitled to three times (3x) the number of votes appurtenant to each respective Unit as shown in Appendix B for each Unit owned by the Declarant.

9.3. Declarant's Control of Management Committee.

The Declarant, or some other person or persons selected by the Declarant, may appoint and/or remove all members of the Management Committee and all officers of the Association, or at the Declarant's option, may exercise the powers and authority otherwise assigned by the Declaration, the Bylaws and the Articles of Incorporation to the Association or the Management Committee from the date of recordation of this Declaration until Declarant shall have conveyed 75% of the Declarant's undivided interest in the Common Areas and Facilities including additional interests which may be annexed to the Project through the amendment of this Declaration and Map, if any. The first annual meeting of the Association shall be held within 120 days of the conveyance of the Units to which three-quarters of the undivided interest in the Common Areas and Facilities appertaining thereto have been conveyed by the Declarant, at which time the Association shall elect members of the Management Committee.

10.0. Maintenance, Alteration and Improvement.

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10.1. The maintenance, alteration, replacement and repair of the Common Areas and Facilities shall be the responsibility of the Association, and the cost thereof shall be a Common Expense. The Association shall maintain to the extent that the same is not provided by utility services, utility mains to the boundary of each Unit. All incidental damages caused to a Unit by the maintenance, alteration, replacement and repair of the Common Areas and Facilities or utility services shall be repaired promptly at the expense of the Association.

10.2. The Unit Owners shall have the responsibility to maintain, repair, replace and keep in a clean and sanitary condition, at the Unit Owner's expense, all portions of the Owner's Unit except as provided in Section 10.4 hereof. The Unit Owners shall keep clean and in a sanitary condition all of their Unit. The Association shall be responsible for cleaning and general maintenance of all parking areas except garages directly appurtenant to the individual units.

10.3. Declarant expressly reserves the right and authority to modify the layout and design of the Common Areas and Facilities, including the provision of additional amenities thereon, without the consent of the Association or the Unit Owners, during any time while Declarant is in control of the Management Committee as provided under Paragraph 9.3 hereof provided the Declarant shall pay all costs, expenses and fees associated with the provision, construction and development of the additional amenities and facilities. Declarant shall have the right, without the consent of the Association or the individual Unit Owners, to amend this Declaration and the Map, as necessary, in conjunction with the construction and development of any additional amenities as provided in this paragraph. Declarant shall have sole discretion regarding the style, placement, design and method of construction regarding any additional amenities as provided hereunder provided such is in a good workmanlike manner.

10.4. The Association shall be responsible for and shall provide exterior maintenance upon each Unit within the Project including the paint, repair and replacement of roofs, gutters, downspouts and exterior building surfaces, as necessary which shall be paid for as a Common Expense. However, any damage to the exterior of a Unit in excess of normal wear and tear nor otherwise attributable to the actions of the Association shall be repaired by the Association but shall be paid for by the Unit Owner directly. The cost of such exterior maintenance shall be added to and become part of the assessment applicable to the Unit. The exterior maintenance of the Units for which the Association shall be responsible shall not include glass surfaces. In addition to the maintenance of exterior surfaces, the Association shall be responsible for and shall maintain and provide landscaping upon the Common Areas and upon the open real property located within each Unit. The Association shall have the irrevocable right to have access to each Unit as may be necessary to maintain exterior surfaces and landscape open real property within each Unit as reasonably required under this paragraph and as otherwise permitted in this Declaration. The Association shall maintain such financial reserves as necessary to timely anticipate the expenses and responsibilities provided herein.

11.0. Insurance.

11.1. The Association shall obtain and maintain at all times insurance of the type and kind as provided herein and including insurance for such other risks, of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other properties similar to the property in construction, design and use. The Association shall obtain insurance with the following provisions or endorsements:

11.1.1. Exclusive authority to adjust losses shall be vested in the Association and/or the Management Committee as insurance trustee or any successor trustee as designate by the Association;

11.1.2. The insurance coverage shall not be brought into contribution with insurance purchased by individual Unit Owners or their respective mortgages;

11.1.3. Each Unit Owner may obtain additional insurance covering his real property interest at his own expense.

11.1.4. The insurer waives its right of subrogation as to any and all claims against the Association, each Unit Owner, and/or their respective agents, employees or tenants, and of all defenses based upon co-insurance or upon invalidity arising from the acts of the insured;

11.1.5. The insurance coverage cannot be canceled, invalidated or suspended because of the conduct of any one or more individual Unit Owners or their respective lessees, employees, agents, contractors, and guests;

11.1.6. The insurance coverage cannot be canceled, invalidated or suspended because of the conduct of any officer or employee of the Management Committee or Association or their employees, agents, or contractors, without prior demand in writing that the Association cure the defect and then only if the defect is not cured within fifteen (15) days;

11.1.7. Such policies shall provide that coverage shall not be prejudiced by (a) any act or neglect of the individual Unit Owners or their respective lessees, employees, agents, contractors or guests; or (b) by failure of the Association to comply with any warranty or condition with regard to any portion of the premises over which the Association has no control; and

11.1.8. The insurance coverage shall provide that coverage may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days prior written notice to any and all insureds named thereon, including all mortgagees of the Units.

11.2. The Association shall purchase such property insurance as it deems appropriate. The named insured shall show "The Oaks at Wasatch Homeowners Association" for the use and benefit of the individual Unit Owners or its insurance trustee. The loss payable clause shall show the Association or its insurance trustee as trustee for each Unit Owner and the mortgage holder of each unit mortgaged. The policy must also contain the standard mortgage clause and must name either Federal National Mortgage Association ("FNMA") or the servicer of the mortgage held by the FNMA on the Project with respect to mortgages held by FNMA. If a servicer is named as the mortgagee, its name shall be followed by the phrase "its successors and assigns."

11.3. The Association shall obtain a policy or policies of insurance insuring the Association, the Unit Owners and their respective lessees, servants, agents or guests against any liability to the public or to the owners of units, members of the households of Unit Owners and their respective invitees or tenants, incident to the ownership and/or use of the property, and including the personal liability exposure to the Unit Owners, incident to the ownership and/or use of the property, including but not limited to the operation and use of the Common Areas, public ways and any other area under its supervision. Limits of liability under such insurance shall not be less than One Million

Dollars (\$1,000,000.00) for any one person injured in any one occurrence, and shall not be less than One Million Dollars (\$1,000,000.00) for property damage in each occurrence. The limits in coverage of said liability policy or policies shall be reviewed at least annually by the Association and increased at its discretion. Said policy or policies shall be issued on a comprehensive liability basis and, if possible, shall provide cross-liability endorsements for possible claims of any one or more or group of insureds, without prejudice to the right of a named insured under the policies to maintain the action against another named insured. To the extent possible, such coverage will include protection against water damage liability, liability for non-owned and hired automobile, liability for property of others, garage-keeper's liability, host liquor liability, legal liability from claims and lawsuits related to employment contracts in which the Association is a party, and such other risks as shall customarily be covered with respect to projects similar in construction, location, and use.

11.4. No Unit Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount that the Association and/or the unit owners, on behalf of all of the Unit Owners, may realize under any insurance policy that the Association may have in force covering the property or any part thereof at any time.

11.5. There may be obtained a blanket fidelity bond for anyone who handles or is responsible for funds held or administered by the Association. The amount of the bond shall not be less than the greater of (a) the sum of three months assessments on all units plus the Associations reserve funds; or (b) the maximum funds that will be in the Associations hands; (c) 150% of the estimated annual operating expense of the planned unit development, including reserves. The bond must state that at least ten (10) days written notice will be given to the Association or its insurance trustee to each mortgagee and mortgage servicer prior the cancellation or substantial modification for any reason.

12.0. Termination.

12.1. All of the Unit Owners may remove the Property from the provisions of this Declaration by an instrument duly recorded to that effect, provided that the holders of all liens and mortgages affecting any of the units consent or agree by instruments duly recorded, that their liens or mortgages be transferred to the percentage of the undivided interest of the unit owners in the property.

12.2. After removal of the property from the Declaration, the Unit Owners shall own the Common Area and all assets of the Association as tenants in common and the respective mortgagees and lienors shall have mortgages and liens upon the respective undivided interests of the Unit Owners, and such undivided interest in the Common Areas and Facilities appurtenant to the Owners' Units prior to removal from the act.

12.3. This paragraph 12 cannot be amended without consent of all Unit Owners and all record owners of mortgages on units.

13.0. Eminent Domain.

13.1. Whenever any proceeding is instituted that could result in the temporary or permanent taking, injury or destruction of all or part of the Common Areas and Facilities, Limited Common Areas and Facilities or one or more Units or portions thereof by the exercise of the power of or power in the nature of eminent domain or by an action or deed in lieu of condemnation (all of which shall be defined as "eminent domain"), the Association, each Unit Owner and every holder of all liens affecting the Units, shall be

entitled to timely written notice thereof and the Association shall, and the Unit Owners at their respective expense, may participate in the proceedings incident thereto.

13.2. Any awards by reason of eminent domain or in proceedings in lieu thereof, shall be equitably distributed to the unit owners affected by the eminent domain; provided that the priority of any mortgagee's lien shall remain undisturbed.

14.0. Mortgage Protection.

14.1. The term "mortgage" as used in this Declaration shall mean any recorded mortgage and shall include a recorded deed of trust. The term "mortgagee" shall mean the owner and holder of a mortgage and shall include a beneficiary under a deed of trust.

14.2. The Association shall maintain a roster of Unit Owners from the evidence of change of ownership furnished to the Association, which roster shall include the mailing addresses of Unit Owners. If the Association has been given notice of the necessary information, the Association shall maintain another roster which shall contain the name and address of each mortgagee of a unit. Each notice shall consist of a certified copy of the recorded instrument evidencing the title of the mortgagee. The mortgagee shall be stricken from the roster upon receipt by the Association of a request from the mortgagee or of a certified copy of a recorded release or satisfaction of the mortgage. Notice of such removal shall be given to the mortgagee unless the removal is requested by the mortgagee.

14.3. Any mortgage on any unit is entitled to written notification from the Association of any default by the mortgagor of such unit in the performance of such mortgagor's obligation under the Declaration which is not cured within thirty (30) days.

14.4. Any mortgagee shall have the right to examine the books and records of the Association during normal business hours and shall be entitled to receive copies of annual reports and other financial data within ninety (90) days following the end of any fiscal year and shall be entitled to receive notice of all meetings of the Association and may designate a representative to attend all such meetings.

14.5. A mortgagee of any Unit who comes into possession of the Unit pursuant to the remedies provided in the mortgage, foreclosure of mortgage, or deed (or assignment) in lieu of foreclosure, shall take the property free of any claims of unpaid assessments or charges against the mortgaged Unit which accrued prior to the time such mortgagee comes into the possession of the unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all units, including the mortgaged Unit).

14.6. The liens created pursuant to this Declaration, the Articles or Bylaws, upon any unit shall be subordinate to, and shall not affect the rights of a mortgagee whose interest was recorded prior to the recordation of the Notice of Lien, provided such mortgagee's interest would have priority, by law, over subsequently recorded encumbrances, or liens arising from tax and special assessment liens in favor of the assessing unit or special improvement district.

14.7. No unit may be partitioned or subdivided without the prior written approval of the mortgagee of the affected Unit.

14.8. No amendment to this paragraph shall affect the rights of a mortgagee recorded prior to the recordation of any such amendment not otherwise entitled thereto.

14.9. Notices of Action. A holder, insurer or guarantor of a first mortgage, upon written request to the Association, (such request to state the name and address of such holder, insurer or guarantor and the unit number), will be entitled to timely written notice of:

14.9.1. Any proposed amendment to the Declaration effecting a change in (i) the boundaries of any Unit or the exclusive easement rights appertaining thereto, (ii) the interests in the Common Areas and Facilities appertaining to any Unit or the liability for Common Expenses appertaining thereto; (iii) the number or votes in the Association appertaining to any Unit or (iv) the purposes to which any Unit or the Common Elements are restricted;

14.9.2. Any proposed termination of the P.U.D. regime;

14.9.3. Any casualty loss which affects a material portion of the common areas of the P.U.D.;

14.9.4. Any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to the mortgage of such eligible holder, insurer or guarantor, where such delinquency has continued for a period of 60 days;

14.9.5. Any lapse, cancellation or material modification of any insurance policy maintained by the Association;

14.9.6. Any restoration or repair of the Common Areas after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the Declaration and the original plans and specifications unless the approval of the eligible holders of first mortgages on units to which at least 51% of the votes of units subject to mortgages held by such eligible holders are allocated, is obtained;

14.9.7. Any election to terminate the P.U.D. after substantial destruction or taking in condemnation of the Common Areas must require the approval of the eligible holders of first mortgages on Units to which at least 51% of the votes of Units subject to mortgages held by such eligible holders are allocated.

14.9.8. Unless the formula for reallocation of interests in the Common Areas after a partial condemnation or partial destruction of the Common Areas is fixed in advance by the Declaration or by applicable law, no reallocation of interests in the Common Areas resulting from a partial condemnation or partial destruction of the Common Areas may be effected without the approval of the eligible holders of first mortgages of Units to which at least 51% of the votes of Units subject to mortgages held by such eligible holders are allocated.

NOTE: As used in this section, the term "eligible holder, insurer or guarantor" shall mean a holder, insurer or guarantor of a first mortgage upon the Unit.

15.0. Leasing of Units.

15.1. All leases of units shall be in writing and shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and Bylaws and that failure of the lessee to comply with the terms of said documents shall be a default under the lease.

15.2. No Unit Owner shall be permitted to lease his Unit for transient or hotel purposes, nor for a period of less than thirty days.

15.3. No Unit Owner shall lease less than the entire unit.

15.4. The provisions of this paragraph shall not apply to a lender in possession of a Unit following a default in a first mortgage.

16.0. Encroachments.

16.1. None of the rights and obligations of any Unit Owners created by this Declaration or by any deed conveying a Unit shall be affected in any way by an encroachment: (i) by any portion of the Common Areas and Facilities upon any Unit; (ii) by any Unit upon any portion of the Common Areas and Facilities, or (iii) by any Unit upon another Unit due to error in construction, settling or shifting of the building or other structure, including the rebuilding of the building and other structure after fire or other casualty or an eminent domain taking or delivery of a deed in lieu of condemnation, unless there occurs an encroachment that results from the willful act or omission of the Unit Owner of the encroaching Unit, or of the Owners of the Units to which the use of the encroaching Limited Common Areas and Facilities is appurtenant, or of the Association in the event of an encroachment by any portion of the Common Areas and Facilities other than the Limited Common Areas and Facilities.

16.2. There are hereby created valid easements for the maintenance of any encroachments permitted by this Declaration so long as such encroachments exist.

17.0. Conveyances, Easements.

17.1. Every deed, lease, mortgage or other instrument may describe a Unit by its identifying number and letter designation set forth upon the Map, as amended. Every such description shall be deemed good and sufficient for all purposes and shall be deemed to convey, transfer, encumber, or otherwise affect the Unit Owner's corresponding percentage in the Association even though the same is not exactly mentioned or described as well as the Unit's Limited Common Areas and Facilities.

17.2. Some of the Common Areas and Facilities and/or Limited Common Areas and Facilities are or may be located within the Units or may be conveniently accessible only through the Units. Further, the Association is responsible for the upkeep and maintenance of certain Unit exteriors as well as for the landscaping and maintenance of certain real property within the Units themselves.. The Association shall have the irrevocable right to have access to each Unit and to all Common Areas and Facilities and/or Limited Common Areas and Facilities from time to time during normal business hours or upon giving notice to the Owner and during such reasonable hours as may be necessary for the maintenance, landscaping, upkeep, mowing cleaning, repair or replacement thereof or for making emergency repairs at any time herein necessary to prevent damage to the Common Areas and Facilities, or to any Unit or as necessary for the Association to fulfill its obligations under this Declaration. In addition, upon giving notice to the Owner and during such reasonable hours as may be necessary, the Association or its agents may enter any Unit when necessary in connection with any cleaning, maintenance, repair, replacement, landscaping, construction or reconstruction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Association and paid as a Common Expense.

17.3. Each owner shall have the right to ingress and egress over, upon, and across the Common Areas (other than Limited Common Areas) as necessary for access to such Owner's Unit and to any Limited Common Areas appurtenant to such Unit, and shall have the right to horizontal, vertical and lateral support of such Unit, and such rights shall be appurtenant to and pass with the title to each Unit.

17.4. The Association shall have an easement to make such use of the Common Areas and Facilities or the real property within each Unit as may be necessary or convenient to perform the duties and functions that it is obligated or permitted to perform pursuant to this Declaration, including, without limitation, the right to construct and maintain in the Common Areas (other than Limited Common Areas) facilities for use by Owners generally or by the Association and its agents exclusively.

17.5. The Declarant shall have a transferable easement over and on the Common Areas and Facilities and Limited Common Areas and Facilities for the purpose of completing construction of the Project and improvements therein as shown on the Map, including the construction and improvements as provided under Paragraph 10.3 or upon real property directly adjacent to the Property regardless whether such adjacent property is annexed into the Project and for the purpose of doing all things reasonably necessary or appropriate in connection therewith. To the extent that damage is inflicted on any part of the Project by any person utilizing said easement, the Declarant and the person causing the damage shall be liable for the prompt repair of such damage.

17.6. All conveyances of Units within the Project hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve such reciprocal easements as are provided herein, even though no specific reference to such easements appears in any such conveyance.

17.7. The Association shall have power to grant and convey to any third party and the Declarant hereby reserves unto itself, easements and rights of way, including but not limited to rights of ingress and egress, in, on, over and/or under the Common Areas and Facilities for the purpose of constructing, erecting, operating or maintaining lines, cables, wires, conduits or other devices for electricity, cable television, power, telephone and other purposes, public sewers, storm drains and pipe, water systems, sprinkling systems, water, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities to provide common utility services to the project, the Additional Land (as defined in Section 21.0 hereof), regardless whether such adjacent lands are subsequently annexed into the Project. Further, Declarant reserves unto itself a transferable easement over and upon the Common Areas and Common Facilities, access roads or similar property within the Project (including Additional Lands) for the purpose of constructing, developing, maintaining, improving or expanding the Project, the Additional Land or any real property directly adjacent to the Project which may be subsequently developed by the Declarant, its successors or assigns which are adjacent to the Project or Additional Lands. Such easement shall entitle Declarant the use of all access roads within the Project and to tie into all utility lines, sewage and drainage systems within or transversing the Project and/or Additional Lands.

18.0. Combination of Units.

18.1. An Owner of two or more adjoining Units shall have the right upon approval of the Association or the Management Committee and the mortgagees of said Units, to combine one or more adjoining units or portions thereof and to alter or amend the Declaration and Map to reflect such combination.

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18.2. Such amendments may be accomplished by the Unit Owner recording an amendment or amendments to this Declaration, together with an Amended Map or Maps containing the same information with respect to the altered units as required in the initial Declaration and Map with respect to the initial Units. All costs and expenses required in such amendments shall be borne by the Unit Owner desiring such combination.

18.3. All such amendments to the Declaration and Map must be approved by attorneys employed by the Association to insure the continuing legality of the Declaration and the Map. The cost of such review by the attorney's shall be borne by the person wishing to combine the Units.

18.4. Any amendment of the Declaration or Map pursuant to this paragraph 18 shall reflect the changes occasioned by the alteration. Such changes include a change in the percentage of ownership or interest in the Association which are appurtenant to the Units involved in the alterations. The remaining combined Unit will acquire the total percentage of undivided interest in the Association of Units that are combined as set forth on Appendix B. If a portion of one Unit is combined with another, the resulting Units shall acquire a proportionate percentage of the total undivided interest in the Association of the Units involved in the combination on the basis of area remaining in the respective altered Units. All such amendments must, in all instances, be consented to by the Association and also all other persons holding interest in the Units affected. The consent of other Unit Owners need not be obtained to make such amendments or alterations valid, providing the percentages of undivided interest in the Common Areas and Facilities of the other Unit Owners remain unchanged.

19.0. Amendment.

19.1. Except as otherwise provided in this Declaration, the provisions of this Declaration may be amended by an instrument in writing signed and acknowledged by Unit Owners who constitute three-fourths (3/4) of the Unit Owners in the Association, which amendment shall be effective upon recording, and upon approval of 67% of mortgagees of Units in the Project.

19.2. Within nine (9) months from the recording date hereof, Declarant reserves the right to amend the Declaration if required by statute, the Federal National Mortgage Association or some other governmental agency or lending institution or to correct a technical error, provided that such amendment does not materially affect the rights of Unit Owners.

19.3. The Association may from time to time amend the Map and/or Appendix B to reflect the change in assignments of parking spaces or storage spaces; provided, however, that the affected owners, if any, join in the execution of the amendment.

20.0. Assessments.

20.1. The Association and/or the Management Committee shall have the power and authority as prescribed by law and set forth herein to make and collect regular and special assessments from the Unit Owners for their share of Common Expenses pursuant to the Articles and Bylaws and as further set forth below. All rights, powers and authority conferred hereunder to the Association shall also apply to the Management Committee as provided herein.

20.2. Agreement to Pay.

Declarant, for each unit owned by it, covenants and agrees, and each purchaser of a Unit by his acceptance of a deed, covenants and agrees, for each Unit so owned to pay to the Association regular assessments and special assessments, such assessments to be established, made and collected as provided in this Declaration. Notwithstanding the foregoing, Declarant's obligation and covenant to pay regular and special Association assessments provided under this Declaration shall not exist until after construction of the Unit has been completed and a Certificate of Occupancy or its equivalent has been issued by the appropriate governmental regulatory body. Each Owner shall be liable for a proportionate share of the Common Expenses, such shares being the same as the percentage of undivided interest in the Common Areas and Facilities appurtenant to the Unit owned by the Unit Owner as set forth in Appendix "B". Such assessments shall accrue from the date the first Unit is conveyed to a purchaser and will be due and payable in advance.

20.3. Personal Obligations.

Each assessment or installment, together with any interest, collection costs and reasonable attorney's fees, shall be the personal obligation of the person or entity who was an Owner at the time such assessment, or installment, became due and payable. If more than one person or entity was the Owner of a Unit, the personal obligation to pay such assessment, or installment, respecting such Unit shall be both joint and several. The voluntary Grantee of a Unit, by his acceptance of a Deed subject to the terms and conditions of this Declaration, agrees to be jointly and severally liable with the Grantor for all unpaid assessments against a Unit accruing up to the time of conveyance. However, the Grantee shall have full rights of contribution against the Grantor. Any lien as provided hereunder shall continue to encumber the Unit despite the Unit's conveyance. No Unit Owner may exempt himself from payment of assessments, or installments, by waiver of the use or enjoyment of all or any portion of the Common Areas and Facilities or by waiver of the use or enjoyment of, or by abandonment of his Unit.

20.4. Purpose of Assessments; Maintenance of Reserves.

The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Members of the Association, the improvement, replacement, repair, operation and maintenance of the Common Areas and Facilities and the performance of the duties of the Association as set forth in this Declaration. Assessments may also be used to cover expenses for repair of defects or failures in the Development. The regular assessments shall include adequate reserve funds for contingencies and for maintenance, repairs, and replacement of the Common Area improvements and facilities. This limitation shall not affect the liability of any supplier or manufacturer of any product included in the Development. Unless the Association is exempt from federal or state taxes, all reserves shall be accounted from as contributions to the capital of the Association and as trust funds segregated from the regular income of the Association or in any other manner authorized by law or regulations of the Internal Revenue Service and the Utah State Tax Commission that will prevent such funds from being taxed as income of the Association. The developer shall establish a working capital fund equal to at least two months' estimated common charges for each Unit. Any amounts paid into this fund should not be considered as advance payments of regular assessments. Each Unit's share of the working capital fund should be collected at the time the sale of the Unit is closed and then transferred to the Association for deposit to a segregated fund.

20.5. Determination of Amount of Assessments.

20.5.1. Regular Assessments. Each Unit Owner shall pay the Association his allocated portion of the cash requirement, as set forth upon Appendix "B" hereof, required to manage in the manner herein provided without any deduction on account of any set-off or claim which the Owner may have against the Association. If the Unit Owner shall fail to pay any installment within ten days of the time when the same becomes due, the Owner shall pay interest thereon at the rate of eighteen percent (18%) per annum from the date when such installment shall become due to the date of the payment thereof.

20.5.2. The cash requirements above referred to for each year, or portion of the year, are hereby defined and shall be deemed to include an adequate reserve fund for maintenance, repairs and replacement of those common areas and facilities that must be replaced on a periodic basis, plus such aggregate sum as the Association or the Management Committee from time to time shall determine, in its judgment, is to be paid by all the Owners of the Planned Unit Development then in existence to enable the Association to pay all estimated expenses and outlays of the Association to the close of such year, growing out of or in connection with the maintenance and operation of such land, buildings, and improvements; which sum may include, among other things, the cost of management, special assessments, fire, casualty, flood, fidelity, public liability and other insurance premiums, common lighting, landscaping and the care of the grounds, repairs and renovations to Common Areas and Facilities, snow removal, wages, water charges, natural gas charges and all other utility services (except telephone, electricity and other services which are separately billed or metered to the individual Units by the utility or party furnishing such service), legal and accounting fees, management fees, expenses and liabilities incurred by the Association under or by reason of this Declaration, the payment of any deficit remaining from the previous period, the creation of a reasonable contingency or other necessary reserve or surplus fund, as well as all other costs and expenses relating to the P.U.D. Project. The Association or the Management Committee may, from time to time, up to the close of the year for which such cash requirements have been so fixed or determined, increase or diminish the amount previously fixed or determined for such year. It may include in the cash requirements for any year, any liabilities or items of expense which accrued or became payable in the previous year, or which might have been included in the cash requirements for a previous year, but were not included therein; and also any sums which the Association may deem necessary or prudent to provide a reserve against liabilities or expenses then accrued or thereafter to accrue although not payable in that year.

20.5.3. The portion payable with respect to each Unit in and for each year or for a portion of a year shall be multiplied by the fraction as shown on Appendix "B". Such assessments, together with any additional sums accruing under this Declaration, shall be payable monthly in advance, or in such payments and installments as shall be provided by the Association or the Management Committee. The percentage attributable to each Unit is set forth on Appendix "B" as the percentage of undivided interest.

20.5.4. The Association through the Management Committee shall have discretionary powers to prescribe the manner of maintaining and operating the Planned Unit Development and to determine the cash requirements of the Association to be paid as aforesaid by the Owners under this Declaration. Every such reasonable determination by the Association within the bounds of this Declaration shall be final and conclusive as to the Owners, and any expenditures made by the Association, within the bounds of the Act and this Declaration shall as against the Owner be deemed necessary and properly made for such purpose.

20.6. Special Assessments.

In addition to the annual regular assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area and Facilities including fixtures and personal property related thereto, provided that any such assessment shall have the vote or written assent of a majority of each class of Members of the Association; provided, however, that following the conversion of the Class B membership to Class A membership, any such assessment shall have the vote or written assent of (i) holders of a majority of the voting power of the Association, and (ii) holders of a majority of the voting power of the Association excluding the Declarant. All proceeds from any special assessment shall be segregated and deposited into a special account and shall be used solely for the purpose or purposes for which it was levied or it shall be otherwise handled and used in a manner authorized by law or regulations of the Internal Revenue Service and the Utah State Tax Commission in order to avoid, if possible, its taxation as income of the Association.

20.7. Member Action.

Any action authorized under Section 20.6 above requiring membership approval shall be taken at a meeting called for that purpose, written notice of which shall be sent to all Members not less than ten (10) days nor more than ninety (90) days in advance of the meeting. A quorum for such meeting shall be fifty-one percent (51%) of each class of members of the Association. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum for the preceding meeting. If the proposed action is favored by a majority of the votes cast at such meeting, but such vote is less than required, members who were not present in person or by proxy may give their assent in writing, provided the same is obtained by the appropriate officers of the Association not later than thirty (30) days from the date of such meeting.

20.8. Uniform Rate of Assessment.

A special assessment against members to raise funds for the repair or major rebuilding of a portion of the Common Areas and Facilities shall be based upon the Unit's percentage interest set forth in Appendix "B".

20.9. Assessment Period.

The initial assessment period for all units, including those owned by Declarant, (other than those upon which units have not yet been constructed or for which a Certificate of Occupancy has not been obtained) shall commence on the first day of the calendar month following the date on which the first sale of a Unit to a purchaser is closed and recorded (the "initiation date") and shall terminate on December 31 of the year in which the initial sale is closed and recorded. Thereafter, the regular assessment period shall commence on January 1 of each year and shall terminate on December 31 of such year, and regular assessments shall be payable in equal monthly installments unless the Management Committee adopts some other basis for collection. The Association shall not change the pro rata interest or obligation of any unit for purposes of levying assessments unless 75% of the Owners and Mortgagees holding 75% of all first Mortgages have given their prior written consent. Voting rights attributable to the respective units shall not vest until assessments against such Units have been paid.

20.10. Notice and Assessment Installation Due Dates.

A single ten (10) day prior written notice of each annual regular assessment and each special assessment shall be given to any Owner of every Unit subject to assessment in which the due dates for the payments of installments shall be specified. The due dates for the payment of installments normally shall be the first day of each month unless some other due date is established by the Management Committee. Each installment, regular assessment and special assessment shall become delinquent if not paid within ten (10) days after its due date. There shall accrue with each delinquent installment a late charge which shall include any late charge previously assessed and unpaid, and which shall be computed on the outstanding balance from month to month as follows: (i) one and one-half percent (1.5%) per month of any delinquent assessments.

20.11. Estoppel Certificate.

The Association or the Management Committee, on not less than twenty (20) days' prior written request and upon the payment of a handling fee not exceeding \$50.00 per certificate, shall execute, acknowledge and deliver to the party making such request a statement in writing stating whether or not to the knowledge of the Association, a particular Owner is in default as to his Unit assessments under the provisions of this Declaration and further stating the dates to which installments of assessments, regular or special, have been paid as to such unit. Any such certificate delivered pursuant to this Section may be relied on by any prospective purchaser or mortgagee of the Unit. The Estoppel Certificate shall not supersede any default in the payment of regular or special assessments of which the requesting party had actual knowledge.

20.12. Lien.

All sums assessed to any Unit pursuant to this Declaration, together with interest, collection costs and attorney's fees as provided herein, shall be secured by a lien on such Unit in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Unit, except only for: (a) valid tax and special assessment liens on the Unit in favor of any governmental assessing authority; and (b) a lien for all sums unpaid on a first Mortgage, or any Mortgage to Declarant, duly recorded in the Official Records of Salt Lake County, Utah, including all unpaid obligatory advances to be made pursuant to such Mortgage and all amounts advanced pursuant to such Mortgage and secured by the lien thereof in accordance with the terms of such instrument. All other lienors acquiring liens on any Unit after this Declaration shall have been recorded in said records shall be deemed to consent that such liens shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.

To evidence a lien for sums assessed hereunder, the Association may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Unit and a description of the Unit. Such a notice shall be signed by the Association, or its designee, and may be recorded in the office of the County Recorder of Salt Lake County, Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by judicial foreclosure by the Association in the same manner in which mortgages on real property may be foreclosed in Utah. In the event foreclosure or any method of collection other than foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding, the costs and expenses of filing the notice of lien and all reasonable attorneys fees. All such costs, expenses and fees shall be secured by the lien being foreclosed. The Owner shall also be required to pay the Association any

assessments against the Unit which shall become due during the period of foreclosure. The Association shall have the right and power to bid an amount equal to its then existing lien at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof.

A release of notice of lien shall be executed by the Association and recorded in the Office of the County Recorder of Salt Lake County, Utah, upon payment of all sums secured by a lien which has been made the subject of a recorded notice of lien.

Any encumbrancer holding a lien on a Unit may pay, but shall not be required to pay, any amounts secured by the lien created hereunder, and upon such payment such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

The Association shall report to any encumbrancer of a Unit any unpaid assessments remaining unpaid for thirty days after the same shall have become due; provided, however, that such encumbrancer first shall have furnished to the Association written notice of such encumbrance and shall request such notice of delinquency in writing.

20.13. Foreclosure.

In any foreclosure of a lien for assessments, the Unit Owner subject to the lien shall be required to pay a reasonable rental for the Unit, and the Association shall be entitled to the appointment of a receiver to collect the same.

20.14. Capital Accounts.

The Association may include in the monthly assessments amounts representing contributions to the capital of the Association to be used for the replacement of or additions to capital items or improvements in the property, or for reserves for improvements to or replacement of capital items or improvements in or to the property. Said amounts shall be set up as capital accounts for each unit. In the event of transfer of a unit, the capital account shall be deemed transferred to the unit transferee.

20.15. Capital Improvements.

In assessing the Unit Owners for capital improvements to the Common Areas and Facilities, for which there are not sufficient amounts in the respective capital accounts, there shall be no single improvement exceeding the sum of Five Thousand Dollars (\$5,000.00) made by the Association or the Management Committee without the same having been first voted on and approved by a majority of those present in person or by proxy of the Association at a meeting duly called for that purpose. The foregoing shall not apply in connection with damage or destruction referred to in Article 13 hereof or to such structural alterations, capital additions to or capital improvements of the Common Areas and Facilities as are necessary in the Association's reasonable judgment to preserve or maintain the integrity of the Common Areas and Facilities of the property.

20.16. Assignment of Rents.

If the Unit Owner shall, at any time, let or sublet his unit and shall default for a period of one month in the payment of assessments, the Association may, at its option, so long as such default shall continue, demand and receive from any tenant or subtenant of the owner the rent due or becoming due and the payment of such rent to the Association

shall be sufficient payment and discharge of such tenant or subtenant and the owner to the extend of the amount so paid. The Unit Owner does hereby assign to the Association any such rent in the event of a default by Owner in paying an assessment.

21.0. Annexation of Additional Land.

The Declarant, its successor or assign, expressly reserves the option unto itself, until the date seven years from the recordation of the original Declaration, to expand the Project through the annexation of additional land within the Project. The additional land to be annexed to the Project shall be directly adjacent to the original Project, as described herein (hereinafter "Additional Land"). Within the time period provided, the Declarant may annex all, part or none of the Additional Land into the Project without the consent of the Association, the Management Committee, or any individual Unit Owners or other limitation. The Declarant shall have the right and shall be required to amend the Map and this Declaration (including Appendix B hereof) to appropriately reflect all relevant information, as required by law or otherwise, in conjunction with annexation of Additional Land within the Project. The required amendment of this Declaration shall: (1) be duly executed and acknowledged by the Declarant and by all other Owners and lessees of the Additional Land to be annexed to the project; (2) contain a metes and bounds description of the Additional Land to be annexed; and (3) shall reallocate on an equitable basis the undivided interests in the Common Areas than contained within the amended Project. There are no other limitations upon Declarant's right to expand the Project. The Declarant is under no obligation, if it in fact proceeds to develop the adjacent real property, to annex the developed property into the Project.

22.0. Notices.

Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to be delivered twenty-four (24) hours after a copy of the same has been deposited in the U.S. postal service, postage prepaid, return receipt requested. Notice to Unit Owners shall be addressed to each unit owner at the address given by such Unit Owner to the Association for the purpose of service of such notice or to the Unit of such Unit Owner if no such address has been given to the Association. Such address may be changed from time to time by notice in writing to the Association. Notice to the Association shall be addressed to Rodney Ylst, c/o 8019 South 3500 East, Salt Lake City, Utah 84121.

23.0. No Waiver.

The failure of the Declarant, Association, Management Committee or any of their contractors to insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions, or restrictions of this Declaration or the Bylaws, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment, for the future, of such term, covenant, condition or restriction; but such term, covenant, condition or restriction shall remain in full force and effect. The receipt and acceptance by the Association or its contractor of the payment of any assessment from a Unit Owner, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Association or the Management Committee of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Association.

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24.0. Enforcement.

Each Unit Owner shall strictly comply with the provisions of the Declaration, the Articles, the Bylaws, the administrative rules and regulations and decisions issued pursuant thereto. Failure to so comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Association or its designee on behalf of the unit owners, or in an appropriate case, by an aggrieved unit owner.

25.0. Declarant's Sales Program.

25.1. Sales, Models, Etc.

Notwithstanding any other provisions of this Declaration, until Declarant ceases to be a Unit Owner (hereinafter referred to as the "Occurrence"), Declarant, its successors or assigns shall have the following rights in furtherance of any sales, promotional, or other activities designed to accomplish or facilitate the sale of all units owned by Declarant.

25.1.1. Declarant, its successor or assigns shall have the right to maintain a sales office and/or model Units. Such office and/or model Units may be Units (at any location) owned by Declarant.

25.1.2. Declarant, its successor or assigns shall have the right to maintain a reasonable number of promotional, advertising and/or directional signs, banners or similar devices at any place or places on the Project, or upon real property directly adjacent to the Project owned by the Declarant, but any such device shall be of a size and in a location as is reasonable and customary.

25.1.3. Declarant shall have the right to use the Common Areas and Facilities of the Project to entertain prospective purchasers or to otherwise facilitate Unit sales, provided said use is reasonable as to both time and manner.

25.1.4. Declarant shall have the right from time to time to locate or relocate its sales office, model Units and/or signs, banners or similar devices, but in connection with each such location or relocation shall observe the limitations imposed by the preceding portion of this Article. Within a reasonable period of time after the happening of the Occurrence, Declarant shall have the right to remove from the project any signs, banners or similar devices.

26.0. Miscellaneous.

26.1 Severability.

The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision of portion hereof shall not affect the validity or enforceability of any other provision hereof.

26.2. Captions.

The captions in this Declaration are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

26.5. Declarant's Rights Assignable.

All of the rights of Declarant under this Declaration may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer or assignment. Any mortgage covering all Units in the Project, title to which is vested in the Declarant, shall, at any given point in time and whether or not such Mortgage does so by its terms, automatically cover, encumber, and include all of the then unexercised or then unused rights, powers, authority, privileges, protections and controls which are accorded to Declarant (in its capacity as Declarant herein).

27.0. Agent for Service of Process.

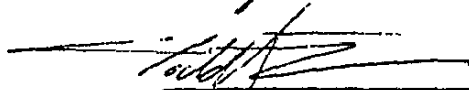
The name and address of the person in Salt Lake County, State of Utah, appointed as first agent to receive service of process in matters pertaining to the property is: Rodney Ylst, whose address is: 8019 South 3500 East, Salt Lake City, Utah 84121.

IN WITNESS WHEREOF, the undersigned has executed this instrument on this 23rd day of April 1987.

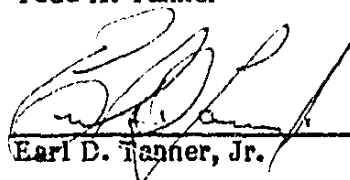
CATALINA DEVELOPMENT COMPANY, INC.



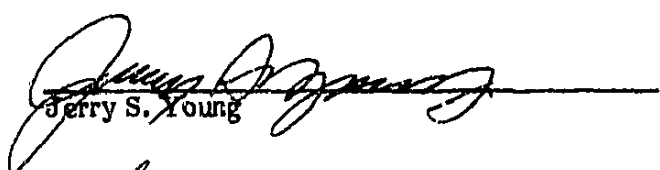
Rodney Ylst, its President



Todd A. Tanner



Earl D. Tanner, Jr.



Jerry S. Young



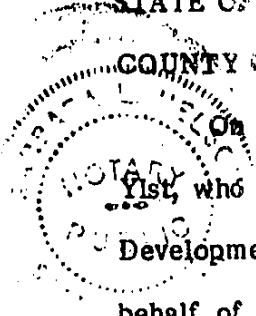
Lora Lee B. Young

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STATE OF UTAH)

:SS.

COUNTY OF SALT LAKE)

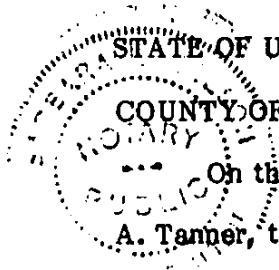


On the 23rd day of April, 1987, personally appeared before me Rod Yist, who being first duly sworn, deposes and states that he is the President of Catalina Development Company, Inc. and is authorized to execute the foregoing instrument on behalf of said corporation and that the same is true and accurate to the best of his knowledge and belief.

Barbara L. Nelson
NOTARY PUBLIC
Residing in Salt Lake County, Utah

My Commission Expires:
2-6-90

STATE OF UTAH)
:SS.
COUNTY OF SALT LAKE)



On the 23rd day of April, 1987, personally appeared before me Todd A. Tanner, the signer of the foregoing instrument, who duly acknowledged to me that he executed the same.

Barbara L. Nelson
Notary Public
Residing in Salt Lake County, Utah

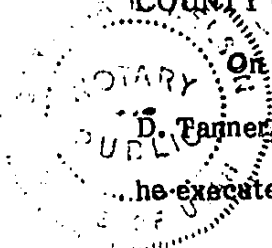
My Commission Expires:
2-6-90

BOOK 5909 PAGE 349

STATE OF UTAH)

: SS

COUNTY OF SALT LAKE)



On the 2nd day of April, 1987, personally appeared before me Earl D. Tanner, Jr., the signer of the foregoing instrument, who duly acknowledged to me that he executed the same.

Barbara L. Nelson
Notary Public
Residing in Salt Lake County, Utah

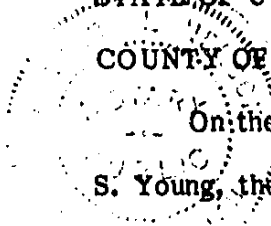
My Commission Expires:

2-6-90

STATE OF UTAH)

: SS

COUNTY OF SALT LAKE)



On the 2nd day of April, 1987, personally appeared before me Jerry S. Young, the signer of the foregoing instrument, who duly acknowledged to me that he executed the same.

Barbara L. Nelson
Notary Public
Residing in Salt Lake County, Utah

My Commission Expires:

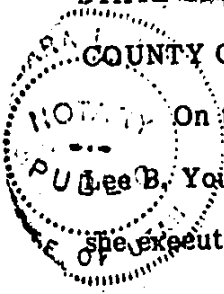
2-6-90

BOOK 5909 PAGE 350

STATE OF UTAH)

: ss

COUNTY OF SALT LAKE)



On the 23rd day of April, 1987, personally appeared before me Lora Bee B. Young, the signer of the foregoing instrument, who duly acknowledged to me that she executed the same.

Barbara R. Nelson
Notary Public
Residing in Salt Lake County, Utah

My Commission Expires:

2-6-90

(Jan/Oaks-2)

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APPENDIX "A-1"
ARTICLES OF INCORPORATION

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ARTICLES OF INCORPORATION
OF
THE OAKS AT WASATCH HOMEOWNER'S ASSOCIATION

In compliance with the requirements of Utah Nonprofit Corporation and Cooperative Association Act, §16-6-12, et seq., Utah Code Annotated, 1953 as amended, the undersigned, all of whom are residents of the State of Utah and all of whom are of full age, do hereby certify that the following are the Articles of Incorporation of The Oaks at Wasatch Homeowner's Association.

ARTICLE I

The name of the corporation is The Oaks at Wasatch Homeowner's Association, hereinafter called the "Association".

ARTICLE II

The period of duration of the Association shall be perpetual.

ARTICLE III

The initial principal office of the Association is located at 2353 Catalina Drive, Salt Lake City, Utah 84121.

ARTICLE IV

Rodney Ylst, whose address is 2353 Catalina Drive, Salt Lake City, Utah 84121 hereby appointed the initial registered agent of the Association.

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ARTICLE V

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide, for maintenance, preservation and control of the project known as The Oaks at Wasatch, a Planned Unit Development, within that certain tract of property described on Exhibit "A" attached hereto and hereby incorporated by reference, and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to:

(a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the Office of the Salt Lake County Recorder, State of Utah, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as set forth at length;

(b) Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) Borrow money, and with the assent of two-thirds (2/3) of each class of members mortgage, pledge, deed in trust, or hypothecate any of all of its real or personal property as security for money borrowed or debts incurred;

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(e) Dedicate, sell or transfer all or any part of the common area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;

(f) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and common area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members;

(g) Have and to exercise any and all powers, rights and privileges which a corporation organized under the Utah Nonprofit Corporation and Cooperative Association Act by law may now or hereafter have or exercise.

ARTICLE VI

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any unit which is subject to the Declaration of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any unit which is subject to assessment by the Association.

ARTICLE VII

VOTING RIGHTS

The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be all owners, with the exception of the Declarant, and shall be entitled to one vote for each unit owned. When more than one

person holds an interest in any unit, all persons shall be members. The vote for such unit shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any unit.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each unit owned. The Class B membership shall cease and be converted to Class A membership when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.

ARTICLE VIII

MANAGEMENT COMMITTEE

The affairs of this Association shall be managed by a Management Committee consisting of three (3) individuals, who need not be members of the Association. The number of Management Committee Members may be exchanged by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of Management Committee Members until the selection of their successors are:

<u>Name</u>	<u>Address</u>
Rodney Ylst	C/O 2353 Catalina Drive Salt Lake City, UT 84121
Paul Ylst	2353 Catalina Drive Salt Lake City, UT 84121
Michelle Dee Ylst	c/o 2353 Catalina Drive Salt Lake City, UT 84121

At the first annual meeting, the Declarant under the Declaration or members shall elect one (1) Member of the Management Committee for a term of three (3) years, one Member of the Management Committee for a term of one (1) year, and one director for a term of one (1) year. At each annual meeting thereafter, the members shall elect a

number of memberships then becoming vacant for a term of two (2) years. The election of any member of the Management Committee shall be subject to the Declarant's control over the Management Committee as set forth in Section 9.3 of the Declaration.

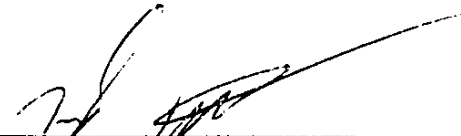
ARTICLE IX
DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE X
BYLAWS

The internal affairs of the corporation shall be regulated by the Bylaws adopted by the Management Committee.

DATED this 23rd day of April, 1987.



RODNEY YLST for
Catalina Development Company, Inc.,
a Utah corporation



EARL D. TANNER, JR.

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Todd A. Tanner
TODD A. TANNER

Jerry S. Young
JERRY S. YOUNG

Lora Lee B. Young
LORA LEE B. YOUNG

Rodney Ylst
RODNEY YLST
Consent to appointment as registered agent

STATE OF UTAH)
COUNTY OF SALT LAKE)
: ss.
On this the 23rd day of April, 1987, personally appeared before me
Rodney Ylst, who being first duly sworn, deposes and states that he executed the
foregoing and that the same is true and accurate to the best of his knowledge and belief.

Barbara L. Nelson
NOTARY PUBLIC
Residing in Salt Lake county, Utah.

My Commission Expires:
2-6-90

BOOK 5909 PAGE 358

STATE OF UTAH)

: ss.

COUNTY OF SALT LAKE)

On this the 23rd day of April, 1987, personally appeared before me Earl D. Tanner, Jr., who being first duly sworn, deposes and states that he executed the foregoing and that the same is true and accurate to the best of his knowledge and belief.

Barbara L. Nelson
NOTARY PUBLIC
Residing in Salt Lake County, Utah

My Commission Expires:

2-6-90

STATE OF UTAH)

: ss.

COUNTY OF SALT LAKE)

On this the 23rd day of April, 1987, personally appeared before me Todd A. Tanner, who being first duly sworn, deposes and states that he executed the foregoing and that the same is true and accurate to the best of his knowledge and belief.

Barbara L. Nelson
NOTARY PUBLIC
Residing in Salt Lake County, Utah

My Commission Expires:

2-6-90

BOOK 5909 PAGE 359

STATE OF UTAH)

COUNTY OF SALT LAKE)

: ss.

On this the 23rd day of April 1987, personally appeared before me Jerry S. Young, who being first duly sworn, deposes and states that he executed the foregoing and that the same is true and accurate to the best of his knowledge and belief.

Barbara L. Nelson
NOTARY PUBLIC
Residing in Salt Lake County, Utah

My Commission Expires:

2-6-90

STATE OF UTAH)

COUNTY OF SALT LAKE)

: ss.

On this the 23rd day of April, 1987, personally appeared before me Lora Lee B. Young, who being first duly sworn, deposes and states that she executed the foregoing and that the same is true and accurate to the best of her knowledge and belief.

Barbara L. Nelson
NOTARY PUBLIC
Residing in Salt Lake County, Utah

My Commission Expires:

2-6-90

(Jan/Oaks)

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APPENDIX "A-2"

BYLAWS OF
THE OAKS AT WASATCH HOMEOWNERS' ASSOCIATION

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BYLAWS OF
THE OAKS AT WASATCH HOMEOWNERS' ASSOCIATION

A Utah Nonprofit Corporation

1. NAME AND LOCATION.

The name of the Association is The Oaks at Wasatch Homeowners Association ("Association"). The Association is organized as a Utah Nonprofit Corporation. The principal office of the Association shall be located in Salt Lake County, Utah. Meetings of Members shall be held at those places specified in the By-laws.

2. DEFINITIONS.

Terms used in these Bylaws shall have the meaning given to them in the Declaration of the The Oaks at Wasatch, a Planned Unit Development, recorded on the _____ day of _____, 1987, as File No. _____ in the offices of the Salt Lake County Recorder of Salt Lake County, Utah.

3. MEMBERSHIP; VOTING RIGHTS.

3.1 Membership.

3.1.1 Qualifications. Each Owner of a Unit, including Declarant, shall be a Member of the Association. No Owner shall hold more than one membership in the Association even though such Owner may own, or own an interest in, more than one Unit. Ownership of a Unit or interest in it shall be the sole qualification for membership in the Association. Each Owner shall remain a Member of the Association until his ownership or ownership interest in all Units in the Development ceases, at which time his membership in the Association shall automatically cease. Persons or entities who hold an interest in a Unit merely as security for performance of an obligation are not to be regarded as Members.

3.1.2 Members' Rights and Duties. Each Member shall have the rights, duties, and obligations set forth in these Bylaws, the Articles, the Declaration and the Association rules and all their amendments.

3.1.3 Transfer of Membership. The Association membership of each person or entity who owns, or owns an interest in, one or more Units shall be appurtenant to each such Unit, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except on a transfer of title to each such Unit or interest in it and then only to the transferee. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Unit or interest in it shall operate automatically to transfer the appurtenant membership rights in the Association to the new Owner.

3.2 Voting.

3.2.1 Number of Votes. The Association shall have two (2) classes of voting membership:

Class A: Class A Members are all Owners, with the exception of Declarant. Each Class A Member shall be entitled to one (1) vote for each Unit in which such class Member owns an interest. However, when more than one Class A Member owns an interest in a Unit, the vote for such Unit shall be exercised as they themselves determine, but in no case shall more than one (1) vote be cast with respect to any one Unit.

Class B: The Class B Member shall be the Declarant who shall be entitled to three (3) votes for each Unit owned. The Class B membership shall cease upon completion of construction and upon close of escrow of the last remaining unit.

3.2.2 Approval of Classes. Except as otherwise provided in the Declaration, as long as two classes of Members exist, no action by the Association that must have the prior approval of the Association Members shall be deemed approved by the Members unless approved by the prescribed percentage of both classes of Members.

3.2.3 Joint Owner Votes. The voting rights for each Unit may not be cast on a fractional basis. If the joint Owners of a Unit are unable to agree among themselves as to how their voting rights shall be cast, they shall forfeit the vote on the matter in question. If any Owner exercises the voting rights of a particular Unit, it will be conclusively presumed for all purposes that he was acting with the authority and consent of all other Owners of the same Unit. If more than one (1) person or entity exercises the voting rights for a particular Unit, their votes shall not be counted and shall be deemed void.

3.2.4 Secret Ballot; Cumulative Voting. In any election involving the election or removal of more than one member of the Management Committee voting shall be by cumulative voting. All votes for election to or removal from the Management Committee shall be by secret written ballot. Each Member shall be entitled to vote, in person or by proxy, as many votes as such Member is entitled to exercise as provided in the Declaration. As to removal, unless the entire Management Committee is removed by a vote of Association Members an individual member of the Management Committee shall not be removed unless the number of votes in favor of removal satisfies the requirements of the Utah Nonprofit Corporations Act.

4. MEETINGS OF MEMBERS.

4.1 Annual Meetings. The organizational meeting and the first annual meeting of the Members shall be held as described in the Declaration. Subsequent annual meetings of Members of the Association shall be held in each succeeding year within one week before or after the anniversary date of the first annual meeting on a day to be determined by the Management Committee, which day shall not be a legal holiday.

4.2 Special Meetings. Special meetings of the Members may be called at any time by the President or by a majority of a quorum of the Management Committee, or upon written request of the Members representing at least five percent (5%) of the total voting power.

4.3 Notice of Meetings. Notice of all Members' meetings, annual or special, shall be given by personal delivery mail or telegram and shall be given not less than ten (10) days nor more than ninety (90) days before the time of the meeting and shall set forth the place (which shall be at the Development or as close thereto as reasonably feasible

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and, unless unusual circumstances exist, shall not be outside Salt Lake County), date, and hour of the meeting, and the nature of the business to be undertaken. Notices shall be given by, or at the direction of, the secretary or person authorized to call the meeting, and shall be transmitted to each Member entitled to vote and to each Mortgagee who has requested in writing that such notice be sent to it; the notices shall be addressed to the Member's or Mortgagee's address last appearing on the books of the Association, or supplied by the Member or Mortgagee to the Association for the purpose of notice. Mailed notices shall be deemed received forty-eight (48) hours after they are mailed by certified mail, return receipt requested; notice by telegram shall be deemed received twenty-four (24) hours after they are sent. Notices to Members may also be personally delivered and shall be deemed received upon delivery to any occupant of the Member's residence.

4.4 Quorum. The presence at any meeting in person or by proxy of Members entitled to cast at least fifty percent (50%) of the total votes of all Members constitutes a quorum. If any meeting cannot be held because a quorum is not present, a majority of those present, either in person or by proxy, a majority of those present, either in person or by proxy, may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called but may not transact any other business. At any adjourned meeting the quorum requirement shall be at least twenty-five percent (25%) of the total voting power of the Association. Any meeting of the Members at which a quorum is present may be adjourned for any reason to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time of such meeting by Members representing a majority of the votes present either in person or by proxy. If after the adjournment a new date is fixed for the adjourned meeting, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed for regular meetings.

4.5 Proxies. At all meetings of Members each Member may be present in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy is revocable and automatically ceases when the ownership interest or interests which entitles a Member to membership in the Association ceases, and at automatically eleven (11) months from the date of its execution unless otherwise provided in the proxy, and in all cases, such proxy shall terminate three (3) years from its date.

4.6 Order of Business. The order of business of all meetings of the Members shall be as follows:

- 4.6.1 roll call;
- 4.6.2 proof of notice of meeting or waiver of notice;
- 4.6.3 reading of minutes or preceding meeting;
- 4.6.4 reports of Management Committee and officers;
- 4.6.5 election of members of the Management Committee, if any are to be elected;
- 4.6.6 unfinished business; and
- 4.6.7 new business.

4.7 Parliamentary Procedure. All questions of parliamentary procedure shall be

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decided in accordance with Roberts Rules of Order.

4.8 Majority of Owners. Except as otherwise provided here or in the Declaration, the majority of the total voting power present, in person or by proxy, shall prevail at all meetings.

4.9 Action Without Meeting. Any action other than election of Management Committee Members that may be taken at a meeting of the Members may be taken without a meeting if done in compliance with the provision of Section 16-6-26, et seq. of the Utah Nonprofit Corporation Act.

4.10 Rights of Mortgagees. Any Mortgagee through its designated representative shall be entitled to attend any Members' meeting but shall only be entitled to vote on the matters set forth in the Declaration.

5. SELECTION AND TERM OF OFFICE OF MANAGEMENT COMMITTEE.

5.1 Number. The Management Committee shall consist of three (3) members who need not be Members of the Association.

5.2 Term of Office.

5.2.1 On the date of the first annual meeting of Members, three Management Committee members shall be elected or appointed in accordance with these Bylaws and the Declaration. The initial term of office for these three Management Committee members shall be as follows: (i) one Management Committee Member, who shall serve for a term of three years; (ii) one Management Committee Member shall serve for a term of two years; (iii) one Management Committee Member shall serve for a term of one year. Thereafter, the term of office for a Management Committee Members shall be two years.

5.2.2 Pursuant to the authority given by Section 9.3 of the Declaration, Declarant shall appoint all of the Management Committee Members on the date of the first annual meeting of Members.

5.3 Election, Removal, Vacancies.

(a) When the death, or resignation, of a Management Committee Members occurs, his successor shall be selected by the remaining Members of the Management Committee and shall serve for the unexpired term of his predecessor, except that Declarant shall select a successor for Management Committee Members appointed by Declarant so long as Declarant has the power to appoint Management Committee Members pursuant to Section 9.3 of the Declaration.

(b) The Members by majority vote at any annual or special meeting may remove any Management Committee Member and may elect a new Management Committee Member to serve the unexpired term of any Management Committee Member so removed, provided, however, that unless the entire Management Committee is removed, an individual Management Committee Member shall not be removed if the number of votes against the resolution for his removal or not consenting to removal, would be sufficient to elect said Management Committee Member if voted cumulatively at an election at which the same total number of votes were cast, and the same number of Management Committee Members were being elected at the time of the most recent election. Provided, further, a Management Committee Member who has been elected to

office solely by the votes of Members other than the Declarant may be removed from office prior to the expiration of his term of office only by the vote of at least a simple majority of the voting power residing in the Members other than the Declarant. Provided further, that such rights of removal shall be subject to Declarant's rights of appointment as provided in Section 9.3 of the Declaration.

5.4 Compensation. A Management Committee Member shall not receive any compensation for any services he may render to the Association except upon the prior approval (i) of holders of a majority of the voting power of the Association and (ii) of holders of a majority of the voting power of the Association excluding Declarant. Any Management Committee Member may be reimbursed for actual out-of-pocket expenses incurred by him in the performance of his duties.

6. NOMINATION AND ELECTION OF MANAGEMENT COMMITTEE MEMBER.

6.1 Nomination. Nomination for election to the Management Committee shall be made by a nominating committee consisting of three (3) persons. Nominations also may be made from the floor at each annual meeting. The nominating committee shall consist of a chairman, who shall be a Member of the Management Committee, and two (2) other persons who may be either Members of the Association or representatives of Declarant. Each Member of the nominating committee shall be appointed by the Management Committee to serve for a period of one (1) year and vacancies shall be filled by the Management Committee. The nominating committee shall make as many nominations for election to the Management Committee as it may, in its discretion, determine, but not less than the number of vacancies to be filled. Nominations may be made from among Members or non-Members.

6.2 Election. Election to the Management Committee shall be by secret ballot. At the election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to cast under provisions of the Bylaws of the Declaration (and subject to cumulative voting and to the provisions respecting specially elected Management Committee Members as are described therein). The candidates receiving the highest number of votes shall be deemed elected.

6.3 Declarant's Control. The preceding shall not override or control Declarant's control over the Declaration as provided under 9.3 of the Declaration.

7. MEETINGS OF THE MANAGEMENT COMMITTEE.

7.1 Regular Meetings. Regular meetings of the Management Committee shall be held monthly, at such place and hour as may be fixed from time to time by resolution of the Management Committee. Should any such meeting fall on a legal holiday, then that meeting shall be held at the same time on the next day that is not a legal holiday. Notice of the time and place of any such meeting shall be posted at a prominent place or places within the Common Area, and communicated to Management Committee Members not less than four (4) days prior to the meeting; provided, however, that notice of a meeting need not be given to any Management Committee Member who has signed a waiver of notice or a written consent to holding of the meeting. Meetings shall be held at the Development if possible, and if not, as close thereto as possible.

7.2 Special Meetings. Special meetings of the Management Committee for any purpose or purposes shall be called at any time by written notice signed by any two Management Committee Members. Written notice of the time and place of special meetings and the nature of any special business to be considered shall be delivered

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personally to all Management Committee Members or the Management Committee Member's residence, or sent to each Management Committee Member by letter or by telegram, charges prepaid, addressed to him at his address as it is shown upon the records of the Association. In case such notice is delivered personally or by telegraph, it shall be delivered at least seventy-two (72) hours prior to the time of holding the meeting; in case such notice is mailed, it shall be deposited in the United States mail, first-class, registered or certified at least four (4) days prior to the time of holding the meeting. Such mailing, telegraphing or delivery as above provided shall be due, legal and personal notice to such Management Committee Member. Additionally, such notice shall be posted at a prominent place within the Common Area at least seventy-two (72) hours prior to the meeting. However, notice of the special meeting need not be given to any Management Committee Member who signed a waiver of notice or a written consent to holding of the meeting.

7.3 Quorum. A majority of the number of Management Committee Members constitutes a quorum for the transaction of business at a meeting of the Management Committee. Every act or decision done or made by a majority of the Management Committee Members present at a duly held meeting at which a quorum is present shall be regarded as the act of the Management Committee.

7.4 Conduct of Meetings. Regular and special meetings of the Management Committee shall be open to all Members of the Association; provided, however, that Association Members who are not on the Management Committee may not participate in any deliberation or discussion unless expressly authorized by the vote of a majority of a quorum of the Management Committee. The Management Committee may, with the approval of a majority of a quorum of the Management Committee Members adjourn a meeting and reconvene in executive session to discuss and vote on personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar or otherwise sensitive nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

8. POWER AND DUTIES OF THE MANAGEMENT COMMITTEE.

8.1 Powers. The Management Committee has all powers conferred upon the Association that are specified here and in the Declaration except those powers expressly reserved to the Members.

8.2 Duties. It shall be the duty of the Management Committee:

8.2.1 to cause to be kept a complete record of all of its acts and doings and to present a statement of them to the Members at each annual meeting of the Members, or at any special meeting when such statement is requested in writing by Members representing one-fourth (1/4) of the Members;

8.2.2 to supervise all officers, agents, and employees of the Association, and to see that their duties are properly performed; and

8.2.3 to delegate its powers as provided in the Declaration.

8.2.4 To formulate and enforce any reasonable requirements pertaining to the use and maintenance of the units, the Common Areas and Facilities to prevent the unreasonable interference of the use of such areas among the respective unit owners. This duty and power shall include the assignment of parking facilities and other facilities within the Common Areas, as necessary.

8.3 Notice of Action by Written Consent.

8.3.1 The Management Committee may take actions without a meeting if all of the Management Committee Members consent in writing to the action to be taken.

8.3.2 If the Management Committee resolves by unanimous written consent to take action, an explanation of the action taken shall be posted at a prominent place or places within the Common Area within three days after the written consents of all directors have been obtained.

9. OFFICERS AND THEIR DUTIES.

9.1 Enumeration of Officers. The officers of the Association shall be a president and vice-president, who shall at all times be Members of the Management Committee a secretary/treasurer, and such other officers as the Management Committee may create from time to time by resolution.

9.2 Election of Officers. The election of officers shall take place at the organizational meeting of the Management Committee and at each meeting of the Management Committee that follows each annual meeting of the Members.

9.3 Term. The officers of this Association shall be elected annually by the Management Committee and each shall hold office for one year unless he resigns, is removed, or becomes otherwise disqualified to serve.

9.4 Special Appointments. The Management Committee may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Management Committee may from time to time determine.

9.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Management Committee. Any officer may resign at any time by giving written notice to the Management Committee, the president, or the secretary. The resignation shall take effect on the date of receipt of such notice or at any later time specified in the notice, and, unless otherwise requested by the notice, the acceptance of the resignation shall not be necessary to make it effective.

9.6 Vacancies. A vacancy in any office may be filled by appointment by the Management Committee. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

9.7 Multiple Offices. The offices of the secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other officers except in the case of special offices created under Section 9.4 of these Bylaws.

9.8 Duties. The duties of the officers are as follows:

9.8.1 President. The president shall preside at all meetings of the Management Committee, shall see that orders and resolutions of the Management Committee are carried out, shall sign all leases, mortgages, deeds and other written instrument and shall cosign all checks and promissory notes.

9.8.2 Vice-President. The vice-president shall act in place of the president in case of his absence, or his inability or refusal to act, and shall exercise and discharge

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such other duties as may be required of him by the Management Committee.

9.8.3 Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Management Committee and of the Members, shall serve notices of meetings of the Management Committee and of the Members, shall keep appropriate current records showing the Members and their addresses, and shall perform such other duties as required by the Management Committee.

9.8.4 Treasurer. The Chief Financial Officer shall receive and deposit in appropriate bank accounts all money of the Association and shall disburse such funds as directed by resolution of the Management Committee, shall cosign all checks and promissory notes of the Association, shall keep proper books of account, shall cause the financial statement provided in Section 14 of the Bylaws for the Association for its fiscal year to be prepared, and distributed to each Member as required therein.

9.9 Fees and Compensation. Officers shall be entitled to receive reasonable reimbursement for costs as determined by the Management Committee. Nothing herein contained shall be construed or preclude any Officer from serving the Association in any other capacity as an officer, agent, employee or otherwise, and receiving compensation therefor. It is not contemplated that officers will receive compensation for performing their duties as officers, but in the event that the Management Committee decides to pay an officer compensation for his services, such officer, if he is a Member of the Management Committee shall not participate in fixing such compensation, and any compensation paid a Member of the Management Committee (regardless of the services rendered) must be approved by a vote (i) of holders of a majority of the voting power of Association, and (ii) of holders of a majority of the voting power of the Association excluding Declarant.

10. COMMITTEES.

Subject to any contrary provisions of the Declaration and these Bylaws, the Management Committee may appoint a nominating committee as provided in these Bylaws. In addition, the Management Committee may appoint such other committees as it deems appropriate to carry out its purposes.

11. ASSESSMENTS.

11.1 As more fully provided in the Declaration, each Member is obliged to pay to the Association annual and special assessments to be collected as described in that section, all of which is incorporated here by reference.

12. AMENDMENTS.

12.1 These Bylaws can be amended only with the vote or written consent of Members entitled to cast at least fifty-one percent (51%) of the voting power of the membership in the Association, and the vote or written consent of Members entitled to cast at least fifty-one percent (51%) of the voting power of the membership in the Association, excluding Declarant.

12.2 Section 12.1 is not intended to limit the percentage of the voting power of the Association or of Members (other than the Declarant) necessary to amend a specific provision in these Bylaws when the specified provision requires a different percentage of affirmative votes. If more than 51% of the voting power is required by any specific provision of the Bylaws, the percentage in the specific provision shall control.

12.3 The adoption of any amendment to these Bylaws must comply with the provisions of Utah Nonprofit Corporation Act.

13. GENERAL PROVISIONS.

13.1 Conflicting Provisions. In case of any conflict between any provision of the Declaration and these Bylaws, the provisions of the Declaration control.

13.2 Fiscal Year. The fiscal year of the Association shall be a calendar year unless a different fiscal year is adopted by the Members at a duly constituted meeting.

13.3 Proof of Membership. No person can exercise the rights of membership in the Association until satisfactory proof of membership has been furnished to the secretary. Such proof may consist of either a copy of a duly executed and acknowledged grant deed or title insurance policy showing said person to be the Owner of a Unit entitling him to membership. The deed or policy is conclusive in the absence of a conflicting claim based on a later deed or policy.

13.4 Absentee Ballots. The Management Committee may make such provisions as it considers necessary or desirable for absentee ballots.

13.5 Consent to Waiver of Notice. The transactions at any meeting of the Management Committee, or Members however noticed, shall be valid as though they occurred at a meeting held after regular notice of a quorum is present, and if either before or after the meeting each absent Management Committee Member or Member of the Association signs a written waiver of notice or a consent to the holding of such meeting or an approval of its correct minutes. All such waivers, consents, or approvals shall be filed with the records of the Management Committee and made a part of its minutes.

13.6 Reserves. Any amounts collected by or paid to the Association in excess of operational needs shall be set aside as reserves for future financial needs in the manner described in the Declaration and shall be deposited into insured interest-bearing accounts. These sums may include amounts collected by Declarant from Owners through the purchase escrows that represent capital contribution by Owners of the Association.

14. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS.

14.1 Budgets and Financial Statements.

14.1.1 The following financial statements for the Association shall be regularly prepared and distributed to all Members regardless of the number of Members or the amount of assets of the Association:

(i) A budget for each fiscal year consisting of at least the following information shall be distributed not less than 45 days prior to the beginning of the fiscal year.

(a) Estimated revenue and expenses on an accrual basis.

(b) The amount of the total cash reserves of the Association currently available for replacement or major repair of common facilities and for contingencies.

(c) An itemized estimate of the remaining life of, and the methods of funding to defray repair, replacement or additions to major components to the Common Areas and facilities for which the Association is responsible.

(d) A general statement setting forth the procedures used by the Management Committee in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major components of the Common Areas and facilities for which the Association is responsible.

(ii) A balance sheet - as of an accounting date which is the last day of the month closest in time to six months from the date of closing of the first sale of an interest in the subdivision - and an operating statement for the period from the date of the first closing to the said accounting date, shall be distributed within 60 days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the number of the subdivision interest and the name of the entity assessed.

(iii) A report consisting of the following shall be distributed within 120 days after the closing of the fiscal year.

(a) A balance sheet as of the end of the fiscal year.

(b) An operating (income) statement for the fiscal year.

(c) A statement of changes in financial position for the fiscal year.

(d) For any fiscal year in which the gross income to the Association exceeds \$125,000.00, a copy of the review of the annual report prepared in accordance with the generally accepted accounting principles by a licensee of the Utah State Board of Accountancy.

14.1.2 If the report referred to in 14.1.1 (iii) above is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statement was prepared without independent audit from the books and records of the Association.

14.1.3 In addition to financial statements, the governing body shall annually distribute within 60 days prior to the beginning of the fiscal year a statement of the Association's policies and practices in enforcing its remedies against Members for defaults in the payment of regular and special assessments including the recording and foreclosing of liens against Members' subdivision interests.

14.2 The Management Committee shall cause an annual statement of certain transactions and indemnifications to be sent to its Members not later than sixty (60) days after the close of the fiscal year of the Association. If the Association issues an annual report to all Members, this requirement shall be satisfied by including the required information, as set forth below, in said annual report. Such annual statement shall describe:

(a) the amount and circumstances of any indemnification or advances aggregating to more than Ten Thousand Dollars (\$10,000.00) paid during the fiscal year of the Association to any officer of the Association; provided, that no such report need be made in the case of indemnification approved by the Members; and

(b) any "covered transaction," as defined herein, during the previous fiscal year of the Association involving (1) more than Forty Thousand Dollars (\$40,000.00) or, (2) which was one of a number of "covered transactions" in which the same "interested person," as defined herein, had a direct or indirect material financial interest, and which transactions in the aggregate involved more than Forty Thousand Dollars (\$40,000.00). The statement shall describe the names of any "interested persons" involved in such covered transactions, including such "interested person's" relationship to the Association, the nature of such person's interest in the transaction, and, where practicable, the amount of such interest; provided, that in the case of a transaction with a partnership of which the interested person is a partner, only the interest of the partnership need be stated. For the purposes of this Section, a "covered transaction" is a transaction in which the Association, or its parent or subsidiary, was a party, and in which either of the following had a direct or indirect material financial interest:

(i) Any Management Committee Member or officer of the Association, or its parent or subsidiary; or

(ii) Any holder of more than ten percent (10%) of the voting power of the Association, or of its parent or subsidiary.

For purposes of this Section, any person described in either subparagraph (i) or (ii) above is an "interested person."

14.3 The Association shall provide each new Unit owner with a copy of the most current financial statements which have already been distributed to the previous Unit Owner in accordance with Section 14.1 of these Bylaws.

15. INSPECTION OF ASSOCIATION BOOKS AND RECORDS.

15.1 Any membership register, books of account and minutes of meetings of the Members, the Management Committee and committees of the Board of the Association shall be made available for inspection and copying by any Member of the Association, or his duly appointed representative, or any Mortgagee, at any reasonable time and for a purpose reasonably related to his interest as a Member, at the office of the Association or at such other place within the Development as the Management Committee prescribes.

15.2 The Management Committee shall establish by resolution reasonable rules with respect to:

15.2.1 Notice to be given to the custodian of the records of the Association by the Member, representative or Mortgagee desiring to make an inspection.

15.2.2 Hours and days of the week when inspection may be made.

15.2.3 Payment of the cost of reproducing copies of documents requested by a Member or by a representative or Mortgagee.

15.3 Every Management Committee Member of the Association shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Management Committee Member includes the right to make extracts and copies of documents.

STATE OF UTAH)

:SS.

COUNTY OF SALT LAKE)

On the 23rd day of April, 1987 personally appeared before me Earl D. Tanner, Jr., who being first duly sworn, deposes and states that he executed the foregoing and that the same is true and accurate to the best of his knowledge and belief.

Barbara L. Nelson
NOTARY PUBLIC
Residing in Salt Lake County, Utah

My Commission Expires:

2-6-90

STATE OF UTAH)

:SS.

COUNTY OF SALT LAKE)

On the 23rd day of April, 1987, personally appeared before me Todd A. Tanner, who being first duly sworn, deposes and states that he executed the foregoing and that the same is true and accurate to the best of his knowledge and belief.

Barbara L. Nelson
NOTARY PUBLIC
Residing in Salt Lake County, Utah

My Commission Expires:

2-6-90

STATE OF UTAH)

:SS.

COUNTY OF SALT LAKE)

On the 23rd day of April, 1987, personally appeared before me Jerry S. Young, who being first duly sworn, deposes and states that he executed the foregoing and that the same is true and accurate to the best of his knowledge and belief.

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Barbara L. Nelson
NOTARY PUBLIC
Residing in Salt Lake County, Utah

My Commission Expires:

2-6-90

STATE OF UTAH)

COUNTY OF SALT LAKE)

:SS.

On the 23rd day of April, 1987, personally appeared before me
Lorá Lee B. Young, who being first duly sworn, deposes and states that she executed the
foregoing and that the same is true and accurate to the best of her knowledge and belief.

Barbara L. Nelson
NOTARY PUBLIC
Residing in Salt Lake County, Utah

My Commission Expires:

2-6-90

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